

## **BILL ANALYSIS**

Senate Research Center  
77R2349 KKA-D

S.B. 1411  
By: Moncrief  
Health & Human Services  
3/29/2001  
As Filed

### **DIGEST AND PURPOSE**

An interim investigation by the House Committee on General Investigating found evidence of misconduct by some providers in the Texas Health Steps Dental Services Program, involving the aggressive use of certain dental procedures and fraudulent billing procedures. As proposed, S.B. 1411 addresses these abuses by implementing changes recommended by the committee to reduce fraud and improve the quality of services and care offered by the program.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Health and Human Services Commission or an agency operating part of the medical assistance program, as appropriate, in SECTION 1 (Section 32.053, Human Resources Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 32B, Human Resources Code, by adding Section 32.053, as follows:

Sec. 32.053. DENTAL SERVICES. (a) Requires the Health and Human Services Commission or an agency operating part of the medical assistance program, as appropriate (department), in providing dental services under the medical assistance program, to:

- (1) ensure that a stainless steel crown is used only when medically necessary and not as a preventive measure;
- (2) require a dentist participating in the medical assistance program to document, through x-rays or other methods established by department rule, the medical necessity for a stainless steel crown before the crown is applied;
- (3) require a dentist participating in the medical assistance program to comply with a minimum standard of documentation and record-keeping for each of the dentist's patients, regardless of whether the patient's costs are paid privately or through the medical assistance program;
- (4) replace the 15-point system used for determining the medical necessity for hospitalization and general anesthesia with a more objective and comprehensive system developed by the department; and
- (5) take all necessary action to eliminate fraud in the provision of dental services under the medical assistance program, including adopting a zero tolerance policy toward fraud, aggressively investigating and prosecuting any dentist who abuses the system for reimbursement under the medical assistance program, and randomly auditing all dentists participating in the medical assistance program and conducting targeted audits of dentists whose billing activities under the medical assistance program are excessive or otherwise

inconsistent with the billing activities of other similarly situated dentists.

(b) Requires the department, in setting reimbursement rates for dental services under the medical assistance program, to:

(1) reduce the amount of the hospitalization fee in effect on December 1, 2000, and redistribute amounts made available through reduction of that fee to other commonly billed dental services for which adequate accountability measures exist; and

(2) eliminate the behavior management fee and the nutritional consultation fee and redistribute amounts made available through elimination of those fees to other commonly billed dental services for which adequate accountability measures exist.

(c) Requires the department to develop the minimum standard described by Subsection (a)(3) in cooperation with the State Board of Dental Examiners.

SECTION 2. Requires a state agency, if before implementing any provision of this Act it determines that a waiver or authorization from a federal agency is necessary for implementation of that provision, to request the waiver or authorization and authorizes the agency to delay implementing that provision until the waiver or authorization is granted.

SECTION 3. Effective date: upon passage or September 1, 2001.